

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 21, 1995

SUBJECT: **SB 1077**

This bill, if enacted, will ensure the sound system of distribution and sale of watercycles, provide for the regulation of manufacturers, distributors, representatives and dealers for compliance with manufacturer's warranties, and prevent fraud and unfair practices.

The bill provides for a franchise agreement to be filed with the director unless there is an identical basic agreement for all franchisees with the state; a notice of all revisions is also required.

Further, the bill requires the manufacturer to file with the director a copy of the delivery and preparation obligations required of the dealer, with these obligations constituting the dealer's only responsibility for product liability. The franchiser assumes all other product liability, except for the dealer's unlawful sale, misrepresentation or unauthorized modification. The manufacturer is required to compensate the dealer to correct any product and warranty defects and for the dealer's customary delivery and preparation obligations.

The fiscal impact from enactment of this bill is estimated to result in an increase in state expenditures for administrative costs. However, such increase is estimated to be not significant.

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This is to duly certify that the information contained herein is true
and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial 'J'.

James A. Davenport, Executive

Director